A large number of items for exports from India like engineering goods, automobile ancillaries, electronic components, computer software and agro-marine products have been indentified and, similarly, for imports from Canada, items, like electronic technologies, sophisticated electrical components, telecommunications equipment and technologies have been identified as potential areas for increasing the bilateral trade.

At the 8th Engineering Trade Fair held in February, 1989 in New Delhi more than 30 Canadian firms participated and brought to India a cross section of Canada's industry and technology. The Minister of Industry, Trade and Technology, Government of Ontario, visited India on this occasion. During discussions with him, further areas for co-operation were identified for promoting trade between the two countries.

Master Plan to check soil erosion by Ganga in the districts of Murshidabad and Howrah in West Bengal

3539. SHRI CHITTA BASU: Will the Minister of WATER RESOURSES be pleased to state:

(a) whether it is a fact that the West Bengal Governmnet have recently sent a Master Plan with an estimated cost of Rs. 15 crores to check soil erosion by Ganga in the districts of Murshidabad and Howrah in West Bengal; and

(b) if so, what action Government have taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI): (a) No such scheme has been received at the Centre.

(b) Does not arise.

Death of handloom weavers and cotton growers in Andhra Pradesh

3540. DR. YELAMANCHILI SIVAJI: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that a number of handloom weavers and cotton growers end d their life due to hardships in Guntu Prakasam and Krishna districts of Andhra Pradesh sometime back; if so, what steps are being taken by the Central Government to mitigate their hardships: and

(b) how much money was allotted by the Central Government to rehabilitate the handloom weavers and cotton growers who are in distress and what steps Government have taken to augment the exports of handlooms and to maintain the preeminence of cotton, as envisaged in the textile policy of the Government of India?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI RAFIQUE ALAM): (a) Thirty persons connected with the handloom sector are reported to have died on account of suicide, accident and natural death in Guntur, Prakasam and Krishna districts. The conditions of the handloom weavers in these districts are reported to have been adversely affected mainly by the slump in demand for lungies and other varieties of handloom cloth due to competition from producers of lungies in neighbouring States as well as reduced demand of lungies from Burma and Bangladesh. The Central Government had deputed an officer of the Handicrafts and Handlooms Export Corporation of India (HHEC) to examine the possibility of providing export avenues of these areas. After discussions with the State Government authorities, HHEC has placed sample orders to the weavers agencies in the concerned areas.

(b) The Central Government has released an amount of Rs. 60.00 lakhs as special advance for providing gainful employment to the unemployed weavers as a measure of ameliorating the distress conditions of the handloom weavers in Prakasam, and Guntur districts. Under the Centrally Sponsored Intensive Cotton Development Programme (ICDP) funds to the tune of Rs. 56.17 lakhs have been provided to Andhra Pradesh for the benefit of the cotton growers during the VII Five-Year Plan (1985-90).

The steps taken by Government to augment the exports of handlooms are setforth in the attached statement. (*See* be-

low.) As regards maintaining the pre-eminence of cotton as envisaged in the Textile Policy of Government of India, Government have constituted a Committee under the Chairmanship of Shri Abid Hussain, Member, Planning Commission, to review the progress of implementation of the Textile Policy, 1985 and to assess as to how it has affected the various sector of the textile economy. The Committee is expected to make an assessment *inter-alia* whether the pre-eminent role of cotton as the main raw material of the Textile Industry has been maintained.

Statement

1. Extra quotas for certain categories of handloom garments have been obtained in the bilateral textile agreement of India with EEC and USA for the preiod 1987—91 which will increase the export possibilities in these regions.

2. Revised rates of CCS have been announced effective from 1st July, 1986. These rates have been announced for a period of three years and are generaly higher than before.

3. The number of days of pre-shipment credit has been increased from 90 days to 180 days. The rate of interest has also been reduced by 2.5 per cent.

4. Many items of raw material/fabrics are permitted to be imported under Duty Free REP Scheme and the Import-Export Pass Book Scheme.

5. The scope of Advance Licensing and Pass Book Schemes has been widened and procedures simplified.

6. Under 100 per cent Export Oriented Units and Free Trade Zones Scheme, facilities for liberal import of capital goods and raw materials alongwith many other concessions are given.

7. Government has been giving liberal assistance for sponsoring and funding promotional activities such as market studies, buyer-seller meets, participation in international fairs and exhibitions.

8. The agency commision has been increased and rules for blanket permission for foreign exchange have been substantially liberalised.

Losses in Rural Banks

3541. SHRI ARANGIL SREEDHARAN: Will the Minister of FINANCE be pleased to state:

(a) whether rural banks are running in loss at present;

(b) if so, what are the reasons therefor; and

(c) what measures Government have taken to reduce the losses in these banks?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) NABARD have reported that out of 196 regional rural banks in the country, 151 banks increased loss during the year 1987.

(b) The main reasons for the losses sustaind by rgional rural banks are summarised below:—

(i) Rapid branch expansion.

(ii) Low business potential at the centres served by them.

(iii) Increase in the establishment cost due to upward revision of salary and allowances.

(iv) Overall decrease in margin due to upward revision in the interest rates on deposits on the one hand and downward revision of lending rates on the other.

(v) Lending restricted to the weaker sections of the society.

(vi) High servicing cost per account advances.

(c) On the basis of the recommendations of the Working Group on RRBs (Kelkar Committee) following measures